

**Date:** September 22, 2011

**To:** Thomas J. Bonfield, City Manager  
**Through:** Theodore L. Voorhees, Deputy City Manager  
**From:** Marvin Williams, Director of Public Works  
Edward R. Venable, Manager of Engineering and Stormwater  
Robert N. Joyner Jr., Assistant Manager of Development Review  
**Subject:** Update on Failed and Struggling Developments

### **Executive Summary**

No additional projects have been added to the list of failed developments.

Public Works Street Maintenance has completed the repair work to the streets of Category 4 subdivisions in Dunwoody and Riverside on the Eno. The remainder of the category four developments repair work will be performed in the coming weeks.

Public Works has completed cost estimates for the eight Category 4 failed developments. Public Works will proceed to pave "non-city" streets at Riverside on the Eno using one of the existing repaving contracts. Riverside on the Eno is the only subdivision that is fully funded at this time. Public Works is working to determine what work is remaining to complete the stormwater ponds at Riverside on the Eno.

Next steps is for Public Works to continue working with the Attorney's office to assess whether there are any potentially responsible, viable parties to complete the work or secure additional funding.

### **Recommendation**

The Department of Public Works recommends that the City Council receive the update on Failed and Struggling Developments and authorize the repaving on "non-City" at Riverside on the Eno Subdivision.

### **Background**

The Development Review Group of the Department of Public Works has been dealing with bankrupt and restructured developments to ensure public infrastructure is completed.

### **Issues/Analysis**

Public Works Street Maintenance has completed some repair work to the streets of Category 4 subdivisions in Dunwoody and Riverside on the Eno. Also, Street Maintenance has cleared

the storm drainage easements that provide access to the stormwater ponds. Street Maintenance has started some repair works at Stoneybrook Cottages and Lynn Hollow Subdivisions.

Public Works proposes to install the asphalt surface course at Riverside on the Eno Subdivision. The streets at this subdivision have not been accepted for City maintenance yet. A cost estimate for the work shows that the City has collected enough funds from the construction security to pave the streets. Public Works will use one of the existing repaving contracts to do this work. Adding the work will eliminate some other already planned repaving work, but at a future time, the security funds can be added in the contract restoring the displaced work. Public Works has met with the homeowners of the subdivision on 9/13/11 to inform them of the plan to finish the streets. Public Works is working to determine what work is remaining to complete the stormwater ponds at Riverside on the Eno. Once the stormwater pond work is complete and the pavement has been installed, the street can be accepted for maintenance.

Next steps is for Public Works continue working with the Attorney's office to assess whether there are any potentially responsible, viable parties to complete the work or secure additional funding for the rest of the failed developments.

#### **Alternatives**

City Council can choose to not repave the streets and retain the construction security (\$60,000) funds. City Council could choose to wait and bid this work in a future contract.

City Council can authorize this work by one of the existing repaving contracts and take advantage of the current pricing. This is staff's recommendation.

#### **Financial Impact**

A cost estimate for the work shows that the City has collected enough funds from the construction security (\$60,000) to pave the streets. Public Works will use one of the existing repaving contracts to do this work. Adding the work will eliminate some other already planned repaving work, but at a future time, the security funds can be added in the contract restoring the displaced work.

#### **SDBE Summary**

The SDBE Summary is not applicable for this update.

Figure 1-1 Progress Table

HOA Meeting	Money Available	Punchlist Created	Cost Estimate	Repairs Marked	City Work Scheduled	City Work Complete	EMP	Project Manual	Request Bids	Bids Received	Contract Awarded	Contract Complete	Streets Accepted	Project Closed
6/8/2011	bond expired													
5/24/2011														
6/16/2011														
6/2/2011														
5/31/2011														
5/31/2011														
6/1/2011														
6/9/2011														
5/31/2011														
5/26/2011														
Complete		In Progress		Litigation		Not possible								
Engineering Development Review must schedule a meeting with Homeowner Association to inform homeowners of their development's status and what actions the City might take.														
Engineering Development Review and City Attorneys must collect the available money into a City account and determine how the money can be spent.														
Engineering Inspections must determine what repairs or installations need to be completed before the City can accept the infrastructure.														
Engineering Development Review must use current pricing information from Engineering Contracting to determine the cost of completing the punch list created by Engineering Inspections.														
Engineering Inspections must paint or otherwise indicate in the field where the repairs and installations to be completed.														
Work that the City of Durham can perform with its own forces must be coordinated with Street Maintenance and scheduled.														
Street Maintenance must complete the work that the City elects to perform with its own forces.														
Engineering Development review must develop an Engineering Modification Plan for the work that remains to be completed after City forces have completed their work.														
Engineering Development Review and Engineering Contracting must create a Project Manual for the purposes of bidding the remaining work out to contractors.														
Engineering Contracting must advertise and/or otherwise request bids for the work indicated in the Project Manual.														
Contractors must submit their bids by the deadline indicated in the Request for Bids.														
Engineering Contracting must award the contract to the contractor providing the winning bid.														
The contractor must complete the work as indicated in the Project Manual and contract terms.														
Engineering Inspections must verify that the punchlist is complete, that no new issues have been created, and that the infrastructure is acceptable, then formally accept the infrastructure.														
Once all Departments have completed the infrastructure acceptance procedures, the project will be considered complete														